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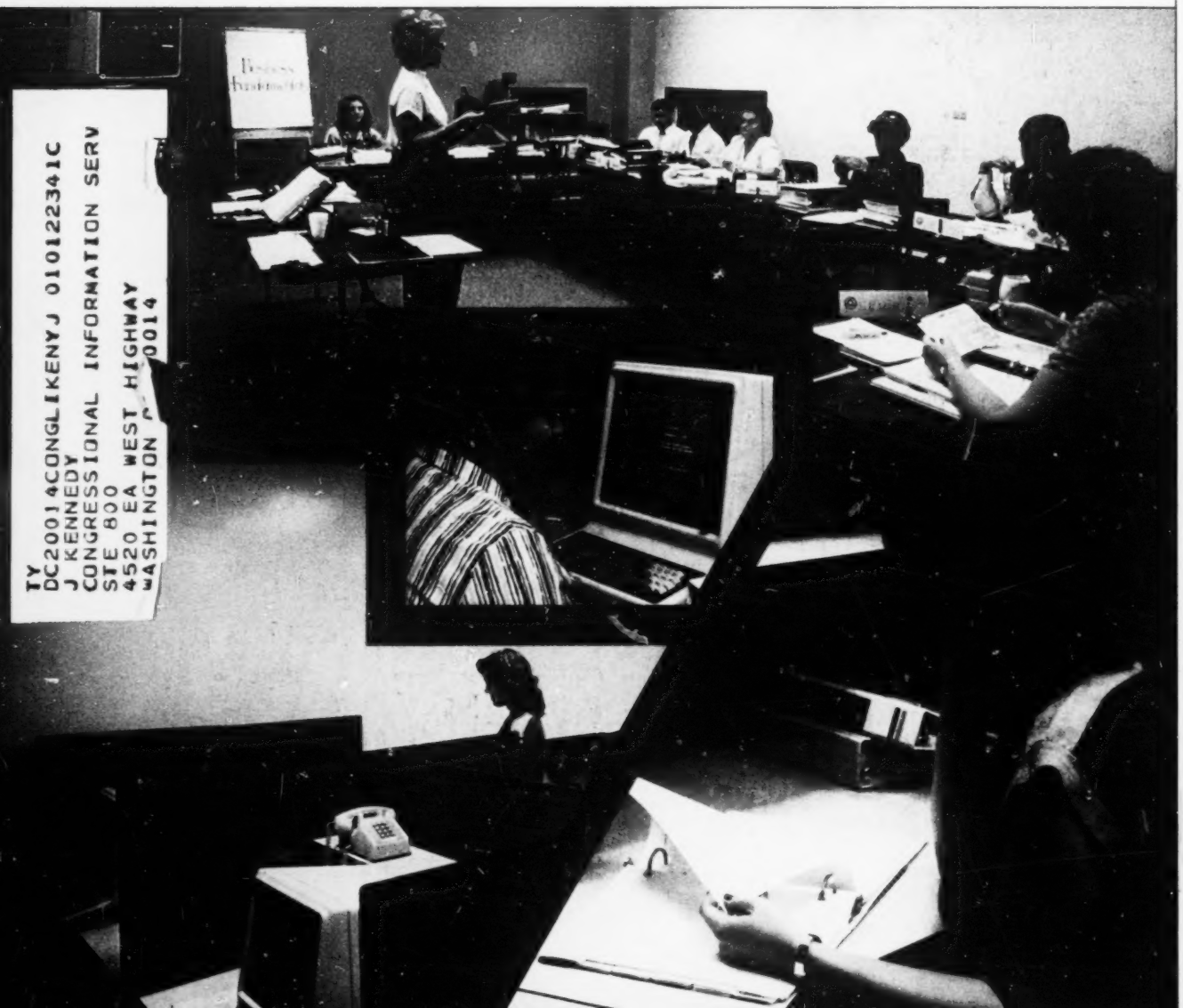

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Telecom's big spenders

Two surveys conducted this year indicate that ICA and ACUTA, industrial and educational groups, spend a significant proportion of their budgets on telecommunications

NORMAN H. SEFTON

SURVEYS CONDUCTED in 1981 by two nationally respected communication user groups reveal some interesting facts relating to the magnitude of their expenditures on telecommunication services.

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The International Communications Assn. (ICA) survey collected data from 227 member companies, which represented 51% of the total membership. The projections from the base data showed the ICA member companies spent $8.77 billion dollars per year on telecommunications services. By the same token, the Assn. of College and University Telecommunications Administrators (ACUTA) had a response from 66 member institutions, which represented 40% of the total membership. Projecting ACUTA's expense to the entire membership shows that they spend $266.8 million per year on telecommunications.

The two surveys were identical in their methodology, except that ICA asked for data relating to sales and total corporate expenses and the ACUTA survey only dealt with total university expenses

MAP INDICATES the five ACUTA regions.

Table 1
ICA SURVEY

Rank	Type of Industry	% Sales
1	Computer Services	4.40%
2	Instruments	1.40%
3	Electrical/Electronics	1.30%
3	Office Equipment/Computer	1.30%
4	Airlines	1.20%
5	Retail-Non Food	1.00%
6	Financial-Non Bank	.98%
7	Transportation-Shipping and Rail	.86%
8	Trucking	.75%
9	Aerospace	.61%
10	Conglomerates	.58%
11	Utilities	.53%
12	Tire/Rubber	.43%
13	Insurance	.42%
14	Building Material	.40%
15	Oil Service and Supply	.39%
16	Machinery	.37%
17	Manufacturing	.36%
18	Paper	.35%
19	Chemicals	.34%
20	Textiles and Apparel	.30%
21	Automotive	.29%
22	Steel/Metal/Mining	.27%
23	Food Processing	.25%
24	Energy	.18%
25	Retailing-Food	.14%

Table 2
ICA SURVEY

Rank	Type of Industry	% Expense
1	Computer Services	6.20%
2	Retail-Non Food	3.00%
3	Instruments	2.50%
4	Banks and Bank Holding Companies	2.10%
5	Oil Service and Supply	1.80%
6	Electrical/Electronic	1.70%
7	Office Equipment/Computer	1.60%
8	Airlines	1.20%
8	Financial-Non Bank	1.20%
8	Universities	1.20%*
9	Transportation-Shipping and Rail	.96%
10	Drugs	.83%
11	Trucking	.80%
11	Utilities	.80%
12	Tire/Rubber	.74%
13	Insurance	.73%
14	Conglomerates	.66%
15	Aerospace	.64%
15	Government	.64%
16	Manufacturing	.60%
17	Steel/Metal/Mining	.52%
18	Machinery	.51%
19	Building Material	.48%
20	Paper	.44%
21	Food Processing	.42%
22	Chemicals	.40%
23	Textiles and Apparel	.35%
24	Automotive	.30%
25	Energy	.24%
26	Retailing-Food	.20%
	Overall Average of Sample	.65%

*ACUTA Survey of 66 Universities Averaged 1.1%

(universities do not keep records on sales).

Tables 1 and 2 show the relative ranking by industry in each of the two categories (sales and expense). It was interesting to note that computer services type industries were ranked first in both sales and expenses. Their ratio was 4.4% of their gross sales and 6.2% on their total corporate expenses.

On the other end of the scale, we find retailing—food having a ratio of 0.14% on sales and 0.20% of expenses on telecommunications. The ICA survey showed an average for all types of industries to be 0.51% on sales and 0.65% on expenses.

Both surveys showed that universities ranked very high (no. 8. or 1.1% to 1.2%) in percent to expenses. Universities were tied with such giants as airlines and financial non-banking institutions. In many instances, universities have not been regarded as big users of telecommunications; however, this survey shows that as a percent of total university expense they rank in the top 10. The ACUTA survey (see Table 3) also showed that schools with major hospitals spent more than those without hospitals and that private schools with hospitals spent more than state or public universities with hospitals. However, public universities which did not have hospitals spent more than private universities without hospitals.

'It was interesting to note that computer services type industries were ranked first in both sales and expenses.'

The ACUTA survey also collected data by regions of the country. This regional data showed that schools in Region IV (the Midwest) spend slightly more as a percentage of expenses than other schools; however, this may not be conclusive due to the small sample of schools reporting in Region IV.

The major conclusion is that in both industry and education, ICA and ACUTA represent a marketplace of over $9 billion annually and a significant amount of the groups' total budgets are used for telecommunications. □

Table 3
ACUTA
Expense Survey Results
1980

Region*	Number of Responses	Telecom Expenses	Total University Expense	Expense % Ratio
		(All Reporting Universities)		
I	17	$ 23,940,786	$ 1,970,580,492	1.2%
II	11	17,297,153	1,302,504,353	1.3%
III	29	46,146,938	4,660,560,632	.9%
IV	5	10,581,668	625,062,747	1.7%
V	4	8,487,432	813,585,922	1.0%
Total	66	$ 106,453,977	$ 9,372,294,146	1.1%
		(Public With Hospital)		
I	1	$ 1,900,000	$ 126,000,000	1.5%
II	2	3,980,394	409,531,871	1.0%
III	7	22,024,902	2,134,208,846	1.0%
IV	2	6,250,000	283,853,241	2.2%
V	1	3,042,969	297,219,000	1.0%
Total	13	$ 37,198,265	$ 3,250,812,958	1.2%
		(Public Without Hospital)		
I	4	$ 4,161,263	$ 226,695,981	1.8%
II	7	7,092,569	590,433,284	1.2%
III	18	19,438,544	2,101,463,038	.9%
IV	3	4,331,668	341,209,506	1.3%
V	3	5,444,463	516,366,922	1.1%
Total	35	$ 40,468,507	$ 3,776,168,731	1.1%
		(Private With Hospital)		
I	5	$ 9,981,458	$ 830,441,200	1.2%
II	2	6,224,190	302,539,198	2.1%
III	1	3,200,000	275,000,000	1.2%
IV	None Reported in Survey			
V	None Reported in Survey			
Total	8	$ 19,405,648	$ 1,407,980,398	1.4%
		(Private Without Hospital)		
I	7	$ 7,898,065	$ 787,443,311	1.0%
II	None Reported in Survey			
III	3	1,483,492	149,888,748	.1%
IV	None Reported in Survey			
V	None Reported in Survey			
Total	10	$ 9,381,557	$ 937,332,059	1.0%

*See Map for Location